

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB660)

Received: **2/20/2014** Received By: **pkahler**
Wanted: **Soon** Same as LRB:
For: **Scott Krug (608) 266-0215** By/Representing: **Randy Thorson**
May Contact: Drafter: **pkahler**
Subject: **Insurance - other insurance** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email: **Rep.Krug@legis.wisconsin.gov**
Carbon copy (CC) to: **Tamara.Dodge@legis.wisconsin.gov**
Margit.Kelley@legis.wisconsin.gov
Julie.Walsh@wisconsin.gov
JP.Wieske@wisconsin.gov
Nitza.Pfaff@wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Changes to limited lines travel insurance

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 2/21/2014	csicilia 2/21/2014	rschluet 2/21/2014	_____			
/1	pkahler 2/28/2014			_____	srose 2/21/2014	srose 2/21/2014	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/2		csicilia 3/3/2014	rschluet 3/3/2014	_____	lparisi 3/3/2014	lparisi 3/3/2014	

FE Sent For:

<END>

2013 DRAFTING REQUEST

Assembly Amendment (AA-AB660)

Received: 2/20/2014 Received By: pkahler
Wanted: Today Same as LRB:
For: Scott Krug (608) 266-0215 By/Representing: Randy Thorson
May Contact: Drafter: pkahler
Subject: Insurance - other insurance Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Rep.Krug@legis.wisconsin.gov
Carbon copy (CC) to: Tamara.Dodge@legis.wisconsin.gov
Margit.Kelley@legis.wisconsin.gov

JP Wiestke, OCI
Julia Walsh, OCI
Nitzza Pfaff, OCI

Pre Topic:

No specific pre topic given

Topic:

Changes to limited lines travel insurance

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 2/21/2014	csicilia 2/21/2014	rschluet 2/21/2014	_____			
/1				_____	srose 2/21/2014	srose 2/21/2014	

FE Sent For:

Handwritten notes: 2 gs 3/14, 3/12, 3/13

<END>

2013 DRAFTING REQUEST**Assembly Amendment (AA-AB660)**

Received: 2/20/2014

Received By: pkahler

Wanted: Soon

Same as LRB:

For: Scott Krug (608) 266-0215

By/Representing: Randy Thorson

May Contact:

Drafter: pkahler

Subject: Insurance - other insurance

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Rep.Krug@legis.wisconsin.gov

Carbon copy (CC) to: Tamara.Dodge@legis.wisconsin.gov

Margit.Kelley@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:


Changes to limited lines travel insurance

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

/?	pkahler						
----	---------	--	---	--	--	--	--

FE Sent For:

<END>

Kahler, Pam

From: Thorson, Randy
Sent: Friday, February 14, 2014 1:04 PM
To: Kahler, Pam
Subject: FW: 2013 Assembly Bill 660/Limited Lines Travel Insurance
Attachments: Welsh_0213161025_001.pdf

Pam,

Could you please draft this as an amendment to AB 660. If a substitute amendment would be easier that would be fine as well.

Randy Thorson
Research Assistant to
Scott Krug
State Representative
72nd Assembly District

From: Bowers2, Jim
Sent: Friday, February 14, 2014 12:33 PM
To: Thorson, Randy
Subject: Fwd: 2013 Assembly Bill 660/Limited Lines Travel Insurance

Here are the changes JP said they need for AB 660. Rep. Petersen said you need to have it drafted as an amendment or sub whatever works best. Then once done we can move forward.

Sent from my Verizon Wireless 4G LTE DROID

----- Original Message -----

Subject: FW: 2013 Assembly Bill 660/Limited Lines Travel Insurance
From: "Wieske, JP - OCI" <JP.Wieske@wisconsin.gov>
To: "Kelley, Margit" <Margit.Kelley@legis.wisconsin.gov>
CC: "Kovach, Robert" <Robert.Kovach@legis.wisconsin.gov>, "Bowers2, Jim" <Jim.Bowers2@legis.wisconsin.gov>

Margit,

One of our attorneys worked this up yesterday. I think this makes clearer what we are looking at. I think this includes the changes others were looking at (modifications to our language, and one word change from may to shall that others sought)

JP

J.P. Wieske, FLMI
Legislative Liaison & Public Information Officer
Office of the Commissioner of Insurance
jpwieske@wisconsin.gov
(608) 266-2493



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-4195/1
PJKjld:rs

2013 SENATE BILL 576

February 7, 2014 - Introduced by Senators PETROWSKI, SCHULTZ and LASSA, cosponsored by Representatives KRUG, WEININGER and JAGLER. Referred to Committee on Insurance and Housing.

- 1 **AN ACT** *to repeal and recreate* 628.02 (1) (b) 8.; and *to create* 601.31 (1) (s),
2 628.02 (1) (b) 8m. and 632.977 of the statutes; **relating to:** the sale of limited
3 lines travel insurance.

Analysis by the Legislative Reference Bureau

This bill allows the commissioner of insurance to issue to a person, who may be but need not be an insurance intermediary, a limited lines travel insurance producer license, which authorizes the licensed person (travel insurance producer) to sell, solicit, and negotiate travel insurance through an insurer. Travel insurance is defined in the bill as limited lines insurance coverage for personal risks incident to planned travel, including cancellation of trip, loss of baggage, and sickness or accident occurring during travel.

The bill authorizes a travel retailer, which is defined in the bill as a business entity that makes, arranges, or offers travel services, that meets the conditions set out in the bill to take certain actions related to travel insurance on behalf of and under the control of a travel insurance producer, without having a travel insurance producer license, including providing general information, processing applications, and collecting premiums (offering and disseminating travel insurance). Under the bill, such a travel insurance producer is responsible for the acts of such a travel retailer and must use reasonable means to ensure the travel retailer's compliance with the requirements under the bill. The bill provides that a travel retailer that is authorized to offer and disseminate travel insurance on behalf of a travel insurance producer may receive compensation for doing so.

SENATE BILL 576

For a travel retailer to offer and disseminate travel insurance on behalf of a travel insurance producer, the travel insurance producer or travel retailer must provide to travel insurance purchasers a description of the material terms of the travel insurance, a description of the process for filing a claim, a description of the policy's review or cancellation process, and the contact information of the insurer. The travel insurance producer must pay all applicable licensing fees; must maintain a register that provides the contact information of each travel retailer that offers and disseminates travel insurance on its behalf; must designate an employee, who must be an insurance intermediary, as the person responsible for ensuring that the travel retailer complies with the applicable statutes; and must require the travel retailer's employees and representatives whose duties include offering and disseminating travel insurance to receive a program of instruction or training on the types of insurance products offered, ethical sales practices, and required disclosures to prospective customers.

A travel retailer that offers and disseminates travel insurance on behalf of a travel insurance producer must make available to prospective travel insurance purchasers written materials that provide the contact information of the travel insurer and the travel insurance producer, that explain that the purchase of travel insurance is not required for the purchase of any other product or service from the travel retailer, and that explain the limitations on technical information that a travel retailer who is not a travel insurance producer may provide concerning the travel insurance. A travel retailer's employee or authorized representative who is not a travel insurance producer is prohibited from evaluating or interpreting technical terms of the travel insurance coverage, from providing advice concerning a prospective travel insurance purchaser's existing insurance coverage, and from holding himself or herself out as an insurer, a travel insurance producer, or an insurance expert.

The bill provides that travel retailers are not subject to the statutory examination and education requirements that apply to insurance intermediaries and sets out the insurance statutes that do apply to travel insurance producers and travel retailers, such as the statutes that relate to procedures for enforcing compliance with the insurance statutes and the statutes that provide penalties for noncompliance with the insurance statutes.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 1 **SECTION 1.** 601.31 (1) (s) of the statutes is created to read:
- 2 601.31 (1) (s) For initial issuance and for each annual renewal of a license as
- 3 a limited lines travel insurance producer under s. 632.977 (2), \$100.

1 SECTION 2. 628.02 (1) (b) 8. of the statutes is repealed and recreated to read:
2 628.02 (1) (b) 8. A travel retailer, as defined in s. 632.977 (1) (d), or an employee
3 or authorized representative of a travel retailer, that offers and disseminates, as
4 defined in s. 632.977 (1) (a), travel insurance under s. 632.977.

5 SECTION 3. 628.02 (1) (b) 8m. of the statutes is created to read:
6 628.02 (1) (b) 8m. A travel insurance producer, as defined in s. 632.977 (1) (c),
7 who is not licensed under this chapter.

8 SECTION 4. 632.977 of the statutes is created to read:

9 **632.977 Limited lines travel insurance.** (1) DEFINITIONS. In this section:

10 (a) "Offer and disseminate" means to provide general information, including
11 a description of coverage and price, as well as to process applications, collect
12 premiums, and perform other activities permitted by statute or rule.

13 (b) 1. "Travel insurance" means limited lines insurance coverage for personal
14 risks incident to planned travel, ^{but not limited to,} including any of the following:

- 15 a. Interruption or cancellation of trip or event.
16 b. Loss of baggage or personal effects.
17 c. Damages to accommodations or rental vehicles.
18 d. Sickness, accident, disability, or death occurring during travel.

19 2. "Travel insurance" does not include major medical plans that provide
20 comprehensive medical protection for travelers with trips lasting 6 months or longer,
21 such as those persons working overseas as expatriates or military personnel being
22 deployed.

23 (c) "Travel insurance producer" means ^{an insurer designee or limited} ~~a person, including an intermediary,~~
24 ~~who is licensed under sub. (2) to sell travel insurance.~~
 lines producer of travel insurance.

(d) "Travel retailer" means a business entity that makes, arranges, or offers travel services.

(2) LIMITED LICENSE TO SELL TRAVEL INSURANCE. The commissioner may issue to a person, including a person licensed as an intermediary under ch. 628, who applies on a form and in the manner prescribed by the commissioner, a limited lines travel insurance producer license authorizing the person to sell, solicit, or negotiate travel insurance through an insurer.

(3) AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE. A travel retailer, or an employee or authorized representative of a travel retailer, may offer and disseminate travel insurance ^{under limited lines travel insurance producer entity ("licensed business entity")} on behalf of and under the control of a travel insurance producer without holding a certificate of authority under s. 601.04, ^{license only if the limited lines travel producer holds a business entity license, and;} a license as an ~~intermediary, or a license under sub. (2)~~ only if all of the following apply:

(a) The travel insurance producer or travel retailer provides to purchasers of travel insurance all of the following:

1. The material terms, or a description of the material terms, of the travel insurance coverage.

2. A description of the process for filing a claim.

3. A description of the review or cancellation process for the travel insurance policy.

4. The identity and contact information of the ^{licensed business entity} ~~insurer and travel insurance producer.~~

(b) ~~The travel insurance producer establishes and maintains, on a form prescribed by the commissioner, a register of each travel retailer that offers and~~

^{the} The license business entity keeps a register of each Travel Retailer that offers Travel Insurance on the licensed business entity's behalf. The register shall include the name and contact information of the Travel Retailer and an officer or person who directs or controls the Travel Retailer's operations, and the Travel Retailer's Federal Tax Identification Number. The licensed business entity shall also certify that the Travel Retailer registered complies with 18 USC 1033. The licensed business entity shall submit such Register with 30 days upon request by the commissioner.

SENATE BILL 576

1 ~~name, address, and contact information of the travel retailer and of an officer or~~
 2 ~~person who directs or controls the travel retailer's operations and the travel retailer's~~
 3 ~~federal tax identification number. The travel insurance producer shall submit the~~
 4 ~~register to the commissioner upon request within 30 days after receiving a request.~~
 5 The travel insurance producer shall also certify that the travel retailer register
 6 ~~complies with 18 USC 1033.~~

for The licensed business entity has designated one of its employees as a ~~licensed individual producer~~ (a "Designated
 Responsible Producer" or "DRP") responsible for the business entity's compliance with the insurance laws, rules and
 regulations of the state; *travel is producer?*

7 ~~the travel retailer's compliance with the limited lines travel insurance statutes and~~
 10 rules of this state.

11 *The licensed business entity*
 (d) ~~The travel insurance producer~~ has paid all applicable licensing fees under
 12 ~~s. 601.31(1)(s).~~ *as set forth in s. 601.31(1)(L) 2.*

13 (e) The travel insurance producer requires each employee and authorized
 14 representative of the travel retailer whose duties include offering and disseminating
 15 travel insurance to receive a program of instruction or training, which ~~may~~ *shall* be subject
 16 to review by the commissioner. The instruction or training materials shall contain,
 17 at a minimum, instructions on the types of insurance offered, ethical sales practices,
 18 and required disclosures to prospective customers.

19 (4) TRAVEL RETAILER DUTIES, LIMITATIONS, RIGHT TO COMPENSATION. (a) A travel
 20 retailer that offers and disseminates travel insurance on behalf of and under the
 21 control of a travel insurance producer shall make available to prospective purchasers
 22 of the travel insurance, brochures or other written materials that do all of the
 23 following:

24 1. Provide the identity and contact information of the insurer and the travel
 25 insurance producer.

SENATE BILL 576**SECTION 4**

1 2. Explain that the purchase of travel insurance is not required for the
2 purchase of any other product or service from the travel retailer.

3 3. Explain that a travel retailer that is not licensed as a travel insurance
4 producer may provide general information about the insurance offered by the travel
5 retailer, including a description of the coverage and price, but is not qualified or
6 authorized to answer technical questions about the terms and conditions of the
7 insurance offered by the travel retailer or to evaluate the adequacy of the customer's
8 existing insurance coverage.

9 (b) A travel retailer's employee, or authorized representative, who is not
10 licensed as a travel insurance producer may not do any of the following:

11 1. Evaluate or interpret technical terms, benefits, or conditions of the offered
12 travel insurance coverage.

13 2. Evaluate or provide advice concerning a prospective purchaser's existing
14 insurance coverage.

15 3. Hold himself or herself out as an insurer, a licensed travel insurance
16 producer, or an insurance expert.

17 (c) A travel retailer whose insurance-related activities, and those of its
18 employees and authorized representatives, are limited to offering and disseminating
19 travel insurance on behalf of and under the direction of a travel insurance producer
20 that meets the conditions under this section is authorized to do so and to receive
21 related compensation upon registration by the travel insurance producer under sub.

22 (3) (b).

23 (5) MISCELLANEOUS PROVISIONS. (a) Travel insurance may be provided under
24 an individual policy or under a group or master policy.

SENATE BILL 576

1 (b) As the insurer designee, a travel insurance producer is responsible for the
2 acts of each travel retailer offering and disseminating travel insurance on its behalf
3 and under its control and shall use reasonable means to ensure compliance by the
4 travel retailer with this section.

5 (c) A travel retailer offering and disseminating travel insurance on behalf of
6 and under the control of a travel insurance producer and a travel insurance producer
7 that is not also licensed as an intermediary under ch. 628 ^{is} exempt from the
8 examination and education requirements under s. 628.04 (3).

9 (d) A travel insurance producer and any travel retailer offering and
10 disseminating travel insurance on behalf of and under the control of a travel
11 insurance producer are subject to ss. 601.41 (4), 601.43, 601.44, 601.61 to 601.64, and
12 628.34.

13 **SECTION 5. Effective date.**

14 (1) This act takes effect on the first day of the 4th month beginning after
15 publication.

16

(END)

Kahler, Pam

From: Pfaff, Nitza A - OCI <Nitza.Pfaff@wisconsin.gov>
Sent: Friday, February 21, 2014 11:07 AM
To: Kahler, Pam
Subject: RE: Amendment to travel insurance bill

Everything else looks good.

From: Kahler, Pam [<mailto:Pam.Kahler@legis.wisconsin.gov>]
Sent: Friday, February 21, 2014 10:50 AM
To: Pfaff, Nitza A - OCI
Subject: RE: Amendment to travel insurance bill

Yes – I will make that change. Do let me know if any more changes are needed or if the rest is okay as is. Thanks!

From: Pfaff, Nitza A - OCI [<mailto:Nitza.Pfaff@wisconsin.gov>]
Sent: Friday, February 21, 2014 10:49 AM
To: Kahler, Pam
Subject: RE: Amendment to travel insurance bill

“under a firm license of a firm, only if the firm holds such a license, and only if all of the following apply:”

From: Kahler, Pam [<mailto:Pam.Kahler@legis.wisconsin.gov>]
Sent: Friday, February 21, 2014 10:37 AM
To: Pfaff, Nitza A - OCI
Subject: RE: Amendment to travel insurance bill

Since the “firm” has not been introduced into the draft yet at this point, how about “under a firm license of a firm, only if the firm holds such a license, and only if all of the following apply:” OR “only under the firm license of a firm, if the firm holds such a license, and only if all of the following apply:”
I’m not sure where you want to emphasize the “only.”

From: Pfaff, Nitza A - OCI [<mailto:Nitza.Pfaff@wisconsin.gov>]
Sent: Friday, February 21, 2014 10:23 AM
To: Kahler, Pam; Wieske, JP - OCI
Cc: Welsh, Lynn A - OCI; Burck, Kristine - OCI
Subject: RE: Amendment to travel insurance bill

Suggestion: “under the firm license only, if the firm holds such a license”

Nitza

From: Kahler, Pam [<mailto:Pam.Kahler@legis.wisconsin.gov>]
Sent: Friday, February 21, 2014 10:01 AM
To: Wieske, JP - OCI
Cc: Pfaff, Nitza A - OCI; Welsh, Lynn A - OCI; Burck, Kristine - OCI
Subject: RE: Amendment to travel insurance bill

I was thinking of changing page 2, line 9, to say "under the firm license of a firm that holds such a license." Is that better?

From: Wieske, JP - OCI [<mailto:JP.Wieske@wisconsin.gov>]
Sent: Friday, February 21, 2014 9:26 AM
To: Kahler, Pam
Subject: RE: Amendment to travel insurance bill

Pam,

We reviewed the amendment. Looks good so far, but we are checking with one other party to make sure.

Thanks,

JP

J.P. Wieske, FLMI
Legislative Liaison & Public Information Officer
Office of the Commissioner of Insurance
jp.wieske@wisconsin.gov
(608) 266-2493

From: Kahler, Pam [<mailto:Pam.Kahler@legis.wisconsin.gov>]
Sent: Thursday, February 20, 2014 5:05 PM
To: Wieske, JP - OCI; Pfaff, Nitza A - OCI; Welsh, Lynn A - OCI; Burck, Kristine - OCI
Subject: Amendment to travel insurance bill

Here is a copy of the proposed amendment. Please let me know if any changes are needed. Also let me know if no changes are needed! Thank you all for your help.

Pam

Pamela J. Kahler
Legislative Attorney
Legislative Reference Bureau
608-266-2682
<< File: 13a1942/?.pdf >>



TODAY
State of Wisconsin
2013 - 2014 LEGISLATURE



LRBa1942

PJK

must run

gjs

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

ASSEMBLY AMENDMENT,

TO ASSEMBLY BILL 660

in 2-21
Friday or
Monday, please

④ Page 3, line 4: delete "(a)"
and substitute "(am)"

1 At the locations indicated, amend the bill as follows:

2 1. Page 2, line 1: delete lines 1 to 3.

3 2. Page 3, line 5: delete lines 5 to 7.

4 3. Page 3, line 10: before that line insert:

5 "(a) "Firm" means a firm under s. ~~INS~~ 6.58 (1m), Wis. Adm. Code.

6 (ac) "Firm license" means a license described in s. ~~INS~~ 6.58 (2), Wis. Adm.

7 Code." ⑥

8 4. Page 3, line 10: delete "(a)" and substitute "(am)".

9 5. Page 3, line 14: delete "travel, including any of the following:" and
10 substitute "travel."

11 6. Page 3, line 15: delete lines 15 to 18.

1 **7.** Page 3, line 23: delete lines 23 and 24 and substitute:

2 “(c) “Travel insurance producer” means an intermediary who is licensed under
3 sub. (2) to sell travel insurance and who is designated by a firm under sub. (3) (c).”.

4 **8.** Page 4, line 4: delete that line and substitute: “a person licensed as an
5 intermediary under ch. 628 who applies”.

6 **9.** Page 4, line 8: delete lines 8 to 12 and substitute:

7 **(3)** ^{not 1} ~~1~~ **AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE.** A travel retailer,
8 or an employee or authorized representative of a travel retailer, may offer and
9 disseminate travel insurance under a firm license of a firm, only if the firm holds such
10 a license, and only if all of the following apply:”.

11 **10.** Page 4, line 13: delete “travel insurance producer or”.

12 **11.** Page 4, line 20: delete the material beginning with that line and ending
13 with page 5, line 12, and substitute:

14 “4. The identity and contact information of the firm.

15 (b) The firm keeps a register of each travel retailer that offers and disseminates
16 travel insurance on the firm’s behalf. The register shall include the name and contact
17 information of the travel retailer and of an officer or person who directs or controls
18 the travel retailer’s operations and the travel retailer’s federal tax identification
19 number. The firm shall also certify that the travel retailer register complies with 18
20 USC 1033. The firm shall submit the register to the commissioner upon request
21 within 30 days after receiving a request.

22 (c) The firm has designated one of its employees as a travel insurance producer
23 responsible for ensuring the travel retailer’s compliance with the limited lines travel
24 insurance statutes and rules of this state.

✓

1 (d) The firm has paid all applicable licensing fees under s. 601.31 (1) (L) 2.”.

2 **12.** Page 5, line 15: delete “may” and substitute “shall”.

3 **13.** Page 6, line 21: delete “travel insurance producer” and substitute “firm”.

4 **14.** Page 7, line 7: delete “that is not also licensed as an intermediary under
5 ch. 628”.

6 (END)

Assembly Amendment to Assembly Bill 660

At the locations indicated, amend the bill as follows:

1. Page 2, line 1: delete lines 1 to 3.
2. Page 3, line 4: delete "(a)" and substitute "(am)".
3. Page 3, line 5: delete lines 5 to 7.
4. Page 3, line 10: before that line insert:
"(a) "Firm" means a firm under s. Ins 6.58 (1m), Wis. Adm. Code. (ac) "Firm license" means a license described in s. Ins 6.58 (2), Wis. Adm. Code."
5. Page 3, line 10: delete "(a)" and substitute "(am)".

6. Page 3, line 14: delete "travel, including any of the following:" and substitute "travel."

7. Page 3, line 15: delete lines 15 to 18.

[The changes proposed in 6 and 7 should be made. The Definition of travel insurance should remain the same so it is as uniform as possible with the definitions used in other states.]

8. Page 3, line 23: delete lines 23 and 24 and substitute:

"(c) "Travel insurance producer" means an intermediary who is licensed under sub. (2) to ^{sell} travel insurance ~~and or~~ who is designated by a firm under sub. (3) (c)."

[This is necessary to make clear that an individual or an entity may be a travel insurance producer.]

9. Page 4, line 4: delete that line and substitute "a person licensed as an intermediary under ch. 628 who applies".

10. Page 4, line 8: delete lines 8 to 12 and substitute:

"(3) AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE. A travel retailer, or an employee or authorized representative of a travel retailer, may offer and disseminate travel insurance under a travel insurance producer firm license of a travel insurance producer firm, only if the travel insurance producer firm holds such a license, and only if all of the following apply:"

[This is necessary to make clear that it is referring to the travel insurance producer firm and its license.]

11. Page 4, line 13: delete "travel insurance producer or".

[The change proposed in 11 should not be made because sometimes travel insurance producers themselves make the required disclosures instead of the travel retailers.]

12. Page 4, line 20: delete the material beginning with that line and ending with page 5, line 12, and substitute:

“4. The identity and contact information of the firm.

(b) The firm keeps a register of each travel retailer that offers and disseminates travel insurance on the firm’s behalf. The register shall include the name and contact information of the travel retailer and of an officer or person who directs or controls the travel retailer’s operations and the travel retailer’s federal tax identification number. The firm shall also certify that the travel retailer register complies with 18 USC 1033. The firm shall submit the register to the commissioner upon request within 30 days after receiving a request.

(c) The firm has designated one of its employees as a travel insurance producer responsible for ensuring the travel retailer’s compliance with the limited lines travel insurance statutes and rules of this state.

(d) The firm has paid all applicable licensing fees under s. 601.31 (1) (L) 2.”.

13. Page 5, line 15: delete “may” and substitute “shall”.

14. Page 6, line 21: ~~delete after~~ “travel insurance producer” ~~and substitute add~~ “firm”.

[This is necessary to make clear that it is the travel insurance producer firm that is being referred to.]

15. Page 7, line 7: delete “that is not also licensed as an intermediary under ch. 628”.

Kahler, Pam

From: Thorson, Randy
Sent: Thursday, February 27, 2014 3:00 PM
To: Kahler, Pam
Subject: Travel Insurance Amendment

Pam,

JP and you may still be on the telephone so I am emailing. I told him 3:30 for the meeting if it is necessary. I am trying to get a telephone number for John Fielding (their attorney) from Scott Stenger. Scott is trying to find out if John will be available at 3:30.

I would like to apologize again, if I have already, but am hopeful we can get this done.

Appreciate all your efforts.

PS-I told Tim Fiocchi that I would take the lead on this as he is swamped with other things. Call me or email me if need be. I will patiently wait for Scott to contact me.

Randy

These are my comments on the proposed changes, in the order in which the changes appear:

1. No problem to remove items 6 and 7. We removed the list of examples of types of travel insurance in the OCI amendment because it was thought that without adding "but not limited to" the list would be taken to be exhaustive. LRB drafting convention prohibits/strongly discourages? using that phrase because it is redundant (see Wisconsin Bill Drafting Manual sections 2.01 (1) (i) and 7.08). However, the list can be returned without using that phrase, which is not used in the bill.
2. I don't understand how changing "and" to "or" in the definition of "travel insurance producer" would make it clear that an individual or an entity could be a travel insurance producer. Also, it is my understanding that a "travel insurance producer" is only an individual. Here is one area where the concept seems to be different from the concept in OCI's amendment. What entities are involved in the bill and how we refer to them are the main areas of confusion.
3. I don't know what a "travel insurance producer firm" or a "travel insurance producer firm license" is. If they are the same things as "firm" and "firm license," as they are defined in the amendment, why do we need to make a change? If they are not the same things, what are they? Is a "travel insurance producer firm" a special kind of "firm," as that is defined in the amendment? If so, a definition for "firm" could be fashioned to clarify that and then "firm" could be used instead of the longer term.
4. No problem with having travel insurance producers provide disclosures, too.
5. For the last proposed change, see number 3. above.

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

2-27

LRB

JP Wierke, Rita Paff, Julie Walsh, John Fielding (by phone)

def of ~~travel~~ firm → as an amendment, but add:

that sells, solicits, or negotiates travel ins.
through a travel ins. producer

def of firm license → same as an amendment but add:

that is held by a firm

def of travel ins. producer → get rid of second part
about designating — it is not needed
reinstate def of travel ins as a bill

Kahler, Pam

From: Pfaff, Nitza A - OCI <Nitza.Pfaff@wisconsin.gov>
Sent: Friday, February 28, 2014 12:54 PM
To: Wieske, JP - OCI; Kahler, Pam
Cc: Walsh, Julie E - OCI
Subject: RE: Travel

agree

-----Original Message-----

From: Wieske, JP - OCI
Sent: Friday, February 28, 2014 12:53 PM
To: Kahler, Pam - LEGIS
Cc: Walsh, Julie E - OCI; Pfaff, Nitza A - OCI
Subject: Re: Travel

Yes.

JP Wieske
Legislative Liaison / PIO
Office of the Commissioner of Insurance
JP.wieske@wisconsin.gov
608-266-2493

> On Feb 28, 2014, at 12:25 PM, "Kahler, Pam" <Pam.Kahler@legis.wisconsin.gov> wrote:

>

> I was just in the process of typing up an email to you when yours came. Based on your comments about the firm not necessarily having a travel insurance producer as an employee, I think I should remove that phrase, also, so that page 2, line 22, of the amendment would read: "The firm has designated a travel insurance producer". Do you all agree?

>

>

>

>

> -----Original Message-----

> **From:** Walsh, Julie E - OCI [<mailto:Julie.Walsh@wisconsin.gov>]

> **Sent:** Friday, February 28, 2014 12:20 PM

> **To:** Kahler, Pam

> **Cc:** Wieske, JP - OCI; Pfaff, Nitza A - OCI; Welsh, Lynn A - OCI

> **Subject:** Travel

>

> My gut was correct - my answers stand.

>

> Julie E. Walsh

> Senior Attorney

> Wisconsin Office of the Commissioner of Insurance Julie.Walsh@wisconsin.gov

> Ph: (608)264-8101

> Fax (608)264-6228

> Mobil (608)417-0281

>

> ****CONFIDENTIAL*****

> This communication is intended to be transmitted to or from the OCI legal unit and may contain information that is privileged, confidential and protected by the attorney-client, attorney work product or s. 601.465, Wis. Stat., privileges.

>

>

Kahler, Pam

From: Walsh, Julie E - OCI <Julie.Walsh@wisconsin.gov>
Sent: Thursday, February 27, 2014 6:55 PM
To: Kahler, Pam; Wieske, JP - OCI; Pfaff, Nitza A - OCI
Subject: RE: Travel insurance bill amendment

Pam,

I will check with folks in the morning but my knee jerk reactions are:

1. I believe "a" is correct rather than "the"
2. I believe "a" is correct as the producer may not be an employee and the firm may or may not have an employee also be a producer.

Again, I will check in the morning and get back to you.

Thank you for your time.

Julie E. Walsh
Senior Attorney
Office of the Commissioner of Insurance
Phone: (608) 264-8101
Fax: (608) 264-6228

From: Kahler, Pam [<mailto:Pam.Kahler@legis.wisconsin.gov>]
Sent: Thursday, February 27, 2014 5:16 PM
To: Wieske, JP - OCI; Pfaff, Nitza A - OCI; Walsh, Julie E - OCI
Subject: Travel insurance bill amendment

Hello all:

The amendment is finished but as I go over the bill with the amendment I have a couple of concerns. If you say forget about them, I will. But here goes:

Since a firm (by definition) sells, solicits, or negotiates travel insurance through an individual travel insurance producer, "The travel insurance producer" in sub. (3) (a) is presumably the one associated with the firm under whose license the travel retailer is offering and disseminating travel insurance. Is that correct? Should it say "A travel insurance producer" instead?

In sub. (3) (c) in the amendment, the firm has designated an *employee* as a travel insurance producer responsible for ensuring compliance, etc. But I thought a firm had an agreement with, and did not necessarily employ, the travel insurance producer. Then the reference in sub. (3) (e) in the bill to "The travel insurance producer" relates back to the designated employee of the firm, but I think that may not be entirely correct. Should that be "A travel insurance producer" instead?

If these are inaccuracies but the bill works in spite of the inaccuracies, okay. But if there is a problem, let me know. Thanks!

Pam

Pamela J. Kahler
Legislative Attorney

Legislative Reference Bureau
608-266-2682



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBa1942/2
PJK:cjs:ps

stays
rm is run

ASSEMBLY AMENDMENT,
TO ASSEMBLY BILL 660

Mon a.m., please

folliott

1 At the locations indicated, amend the bill as follows:

2 1. Page 2, line 1: delete lines 1 to 3.

3 2. Page 3, line 4: delete "(a)" and substitute "(am)".

4 3. Page 3, line 5: delete lines 5 to 7.

5 4. Page 3, line 10: before that line insert:

6 (a) "Firm" means a firm under s. Ins 6.58 (1m), Wis. Adm. Code.

7 (ac) "Firm license" means a license described in s. Ins 6.58 (2), Wis. Adm.

8 Code". →, that is held by a firm

9 5. Page 3, line 10: delete "(a)" and substitute "(am)".

10 6. Page 3, line 14: delete "travel, including any of the following:" and
11 substitute "travel."

12 7. Page 3, line 15: delete lines 15 to 18.

insert 1-b

solicit, or negotiate

1 **8.** Page 3, line 23: delete lines 23 and 24 and substitute:

2 “(c) “Travel insurance producer” means an intermediary who is licensed under
3 sub. (2) to sell travel insurance and who is designated by a firm under sub. (3) (c).”

4 **9.** Page 4, line 4: delete that line and substitute “a person licensed as an
5 intermediary under ch. 628 who applies”.

6 **10.** Page 4, line 8: delete lines 8 to 12 and substitute:

7 **“(3) AUTHORITY TO OFFER AND DISSEMINATE TRAVEL INSURANCE.** A travel retailer,
8 or an employee or authorized representative of a travel retailer, may offer and
9 disseminate travel insurance under a firm license of a firm, only if the firm holds such
10 a license, and only if all of the following apply:”.

11 **11.** Page 4, line 13: delete “travel insurance producer or”.

12 **12.** Page 4, line 20: delete the material beginning with that line and ending
13 with page 5, line 12, and substitute:

14 “4. The identity and contact information of the firm.

15 (b) The firm keeps a register of each travel retailer that offers and disseminates
16 travel insurance on the firm’s behalf. The register shall include the name and contact
17 information of the travel retailer and of an officer or person who directs or controls
18 the travel retailer’s operations and the travel retailer’s federal tax identification
19 number. The firm shall also certify that the travel retailer register complies with 18
20 USC 1033. The firm shall submit the register to the commissioner upon request
21 within 30 days after receiving a request.

22 (c) The firm has designated one of its employees as a travel insurance producer
23 responsible for ensuring the travel retailer’s compliance with the limited lines travel
24 insurance statutes and rules of this state.

1 (d) The firm has paid all applicable licensing fees under s. 601.31 (1) (L) 2.”.

2 **13.** Page 5, line 15: delete “may” and substitute “shall”.

3 **14.** Page 6, line 21: delete “travel insurance producer” and substitute “firm”.

4 **15.** Page 7, line 7: delete “that is not also licensed as an intermediary under
5 ch. 628”.

6 (END)

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa1942/2ins
PJK:.....

INSERT 1-6

1 *with* , that sells, solicits, or negotiates travel insurance through an individual travel
2 insurance producer

(END OF INSERT 1-6)

INSERT 2-11

3 **1.** Page 4, line 13: delete "The travel insurance producer or travel retailer" and
4 substitute "A travel insurance producer or the travel retailer".

(END OF INSERT 2-11)

INSERT 3-1

5 **2.** Page 5, line 13: delete "The travel" and substitute "A travel".

(END OF INSERT 3-1)